C O P Y   C O P Y

SECRET

L ⌐7437⌐ (IN 21763)   25 FEB 54   ROUTINE

TO: DIR   CITE: ⌐   ⌐

INTEL/IABIAZE/CONTROL

RE: DIR 36325 (OUT 66981)

i. NOTHING NEW LEARNED SINCE REPORTED HASS CONTACT WITH SOVIETS. SINCE
THAT TIME H APPEARED LOSE ALL INTEREST ANY INTEL ACTIVITY, STATING HE EXTREMELY
DISILLUSIONED AND INTENDED CUT OFF ALL CONTACTS. IMMEDIATELY AFTER MEETING
SOVIETS, H INVOLVED INTENSE COMMERCIAL ACTIVITY SELLING TOYS FOR HOLIDAYS AND
WAS EXTREMELY BUSY (1 DEC THRU 15 JAN).

2. ⌐   ⌐ HAD FREQUENT CONTACTS WITH H THIS PERIOD AND
REVEAL H HAD NO CONTACTS OUTSIDE HIS COMMERCIAL ACTIVITY, WOMEN AND COGNAC.
SUCCESS H COMMERCIAL VENTURE DUE LARGE PART TO PARTNER EMBKE WITH WHOM H
RESUMED RELATIONS SPENDING ALMOST ALL FREE TIME WITH HIM LAST TWO MONTHS.

3. RECENTLY (EARLY FEB) H INDICATED CERTAIN INTEREST IN OLD INTEL CONTACTS,
DEVELOPMENTS OF WHICH WILL BE FOLLOWED. THIS RENEWED INTEREST DUE TO FACT
BUSINESS AFFAIRS NO LONGER OFFER SATISFYING PROFIT NOW CHRISTMAS HOLIDAYS
H ACTIVITY CONTINUES BE FOLLOWED AND CONTROLLED THRU ⌐

4. UNCLEAR ARE RELATIONS BETWEEN EMBKE AND STEIN CO (FIELD COMMENT: FIRM
IN ROME WHICH HANDLES, AMONG OTHER THINGS, PACKING AND SHIPPING AMEMBASSY EMPLOYEES
EFFECTS). STEIN ADVANCES PAYMENT EXPENSES FOREIGN BILLS OF H FIRM AND GETTING
MERCHANDISE OUT OF CUSTOMS, ACCEPTING FROM EMBKE DRAFTS AND CHECKS HE RECEIVES
FROM ITAL CLIENTS WITHOUT CHARGING INTEREST THEREON. THIS NOT CONSIDERED NORMAL
SITUATION WHICH ACCORDING SOURCE IS INEXPLICABLE.

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5.　ON 8 FEB ⊂　　　　⊐ ACCOMPANIED EMBKE AND H TO STEIN'S TO WHOM
THEY OWED 300,000 LIRE ON CHECKS WHICH HAD NOT BEEN COVERED WITHIN ESTABLISHED
TIME LIMIT.　E AND H REQUESTED MONTH EXTENSION WHICH SMILINGLY GRANTED.
H VERY SUSPICIOUS THIS ATTITUDE WHICH HE ATTRIBUTED TO SPECIAL AGREEMENTS OF
INTEL NATURE BETWEEN STEIN AND E.　SOURCE INVESTIGATING STEIN, RESULTS TO BE
REPORTED.

6.　FIELD COMMENT:　REGULAR REPORT BEING POUCHED.

7.　SOURCE:　⊂　⊐, PARAS 1-3, RECD 10 FEB;　4-5 RECD 17 FEB, B-3.

END OF MESSAGE

SECRET

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